

In the Matter of	)	No. G 03-10
	)	
Travelers Casualty and Surety Company,	)	FINDINGS, CONCLUSIONS, AND
Travelers Casualty and Surety Company	)	
of America, The Travelers Home and	)	ORDER ADOPTING REPORT
Marine Insurance Company, The	)	
Travelers Indemnity Company, The	)	OF
Travelers Indemnity Company of	)	
America, The Travelers Indemnity	)	
Company of Connecticut, The Travelers	)	MARKET CONDUCT EXAMINATION
Indemnity Company of Illinois, The	)	
Charter Oak Fire Insurance Company	)	

Authorized Foreign Insurers

## BACKGROUND

An examination of the market conduct of **Travelers Group of Companies** (the Companies) as of December 31, 2001, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Companies hold Washington certificates of authority as stock insurers. They are domiciled in Connecticut with the exception of The Travelers Indemnity Company of Illinois, which is domiciled in Illinois. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, and instructions and recommendations was transmitted to the Companies for comments on September 16, 2002. The Companies' response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Companies.

Subject to the right of the Companies to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

## FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 36 of the report.

## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, The Travelers Home and Marine Insurance Company, The Travelers Indemnity Company, The Travelers Indemnity Company of America, The Travelers Indemnity Company of Connecticut, The Travelers Indemnity Company of Illinois, The Charter Oak Fire Insurance Company**, and to order the Companies to take the actions described in the Instructions and Recommendations section of the report. The Commissioner acknowledges that the Companies may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

## ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 26.

1. The Companies are ordered to comply with RCW 48.03.030, WAC 284-30-360(2), and WAC 284-30-650 and establish procedures that ensure complete, accurate, and timely responses to facilitate Market Conduct Examinations. (Instruction 1, Page 26)
2. The Companies are ordered to ensure compliance with RCW 48.05.190(1) including policy documents, claim documents and claim checks correctly identify the legal name of the insuring company. (Instruction 2, Page 26)
3. The Companies are ordered to ensure that every commercial policy eligible for schedule rating is considered, and that documentation supports compliance with WAC 284-24-100. (Instruction 3, Page 26)
4. The Companies are ordered to comply with RCW 48.19.040(6) regarding filings, rating plans and application of approved rates. (Instruction 4, Page 26)

5. The Companies are ordered to comply with RCW 48.18.140(2) (f) regarding the policy containing all forms that apply to the policy, and ensure that the insured receives a copy of all forms that apply to the policy. (Instruction 5, Page 26)
6. The Companies are ordered to comply with RCW 48.17.060(1), RCW 48.17.160 and RCW 48.17.010 to ensure that all agents are licensed and appointed by the Companies in Washington prior to soliciting business in Washington. (Instruction 6, Page 26)
7. The Companies are ordered to comply with RCW 48.17.591 to ensure no policies are cancelled or non-renewed because the agent/company relationship was terminated. (Instruction 7, Page 26)
8. The Companies are ordered to ensure that reasons for cancellation or non-renewal are contained in the notices and that they are in such detail that insureds need not resort to additional research to understand the company's actions as required in WAC 284-30-570. (Instruction 8, Page 26)
9. The Companies are ordered to comply with WAC 284-30-390 and ensure total loss evaluations are completed according to the code requirements to ensure fair and equitable settlements. (Instruction 9, Page 26)

IT IS FURTHER ORDERED THAT, the Companies file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Companies have addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 30<sup>th</sup> day of January, 2003.

MIKE KREIDLER  
Insurance Commissioner